

UNAPPROVED

VIRGINIA RACING COMMISSION

MINUTES

OF THE

COMMISSION MEETING

June 2, 2006

VTA OFFICE  
38 GARRETT STREET  
WARRENTON, VIRGINIA

In Attendance

Commission Members

Mark T. Brown, Chairman:  
Peter C. Burnett, Vice Chairman  
Clinton Miller  
David C. Reynolds

NOTE: Commissioner George Rimler monitored the meeting  
by telephone but did not participate.

Commission Staff:

Stanley K. Bowker, Executive Secretary  
David S. Lermond, Jr., Director of Pari-mutuels  
Joseph M. Roney, Director of Operations and Enforcement  
Marvin A. Sniegon, Director of Finance & Planning

Attorney General's Office:

Teresa Griggs

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At 10:10 a.m., Chairman Brown called the meeting to order.

The minutes of the May 17, 2006 meeting were approved.

Acting on the recommendation from Mr. Bowker, the Commission approved Colonial Downs' July simulcasting schedule. Because no additional meeting is planned in June, Mr. Bowker was given the authority to approve Colonial Downs' request for approval of its July simulcasting schedule subject to ratification by the Commission in July.

Colonial Downs Vice President and General Manager Iain Woolnough reported the stable area opened on Tuesday (May 30) and horses for the live meet are arriving daily. The main track is very good and will get better with use and a little rain.

James Weinberg, Counsel for Colonial Downs asked for approval of amendments to contracts between Colonial Downs and VaHBPA and VHHA. He stated the amendments involved the requirements for conducting additional referenda in south-central Virginia. He said Colonial Downs and the horsemen have agreed that for the next year, focus should be on northern Virginia locations as well as account wagering opportunities. The request was unanimously approved.

Ian Stewart, President of Colonial Downs, asked that the Commission approved amendments to the 2006 live Standardbred meet. In the request, Saturday, September 16 replaces Friday, September 16 and Friday, October 27 replaces Friday, November 3.

On Saturday, September 16, HCA Hospitals is planning a large employee function at Colonial Downs and on Friday, October 27 will assist the Virginia-bred and owned stakes program.

The Commission unanimously approved both amendments to the Standardbred live racing schedule.

Mr. Weinberg reviewed the request from Jacobs Entertainment, Inc. to include Colonial Downs L.P. and Stansley Racing Corp. as guarantors in executing certain guarantees of related security interest agreements to refinance Jacobs Entertainment debt. Chairman Brown stated the Commission would be going into closed meeting for legal advice before making a decision.

Mr. Bowker said the application from AmericaTab for its advance deposit account wagering license would need to be tabled. He said he was informed the agreement between Colonial Downs and AmericaTab has been signed but that AmericaTab has not signed off on the agreement among Colonial Downs, AmericaTab and the horsemen.

A working session for the Commissioners and staff has been scheduled for Wednesday, June 21 and Thursday, June 22 at Virginia Crossing Resort in Glenn Allen. If AmericaTab's ADW license application is complete, the Commission can schedule a short business meeting before the working session begins.

Chairman Brown stated, "In accordance with the provisions of Section 2.2-3711 (A)(7) of the Code of Virginia, I move that the Commission go into closed meeting for the purpose of consultation with legal counsel and briefings by staff members or consultants pertaining to actual or probable litigation, where such consultation or briefing in open meeting would adversely affect the negotiating or litigating posture of the Commission; and consultation with legal counsel employed or retained by the Commission regarding specific legal matters requiring the provision of legal advice by

such counsel regarding the request for approval of the proposed refinancing of Jacobs Entertainment, Inc. and Colonial Downs.

The motion was approved.

Returning from closed meeting, Chairman Brown stated, "I move the adoption of the following resolution:

"Whereas, the Virginia Racing Commission has convened a closed meeting on this date pursuant to an affirmative recorded vote and in accordance with the provisions of The Virginia Freedom of Information Act; and

"Whereas, Section 2.2-3712 of the Code of Virginia requires a certification by this Commission that such closed meeting was conducted in conformity with Virginia law;

"Now, therefore, be it resolved, that the Virginia Racing Commission certifies that, to the best of each member's knowledge, (i) only public business matters lawfully exempted from open meeting requirements by Virginia law were discussed in the closed meeting to which this certification resolution applies, and (ii) only such public business matters as were identified in the motion convening the closed meeting were heard, discussed or considered by the Commission in the closed meeting."

The motion was approved with Vice Chairman Burnett, Commissioner Reynolds, Commissioner Miller and Chairman Brown voting in favor of the motion.

Commissioner Burnett noted that the Commission had received a letter from Colonial Downs regarding its intention to close the Martinsville and Chesapeake Military Highway facilities on Mondays and Tuesday effective June 5. He asked if there is a break-even point and in light of live racing at Colonial Downs nearly ready to open if that was good timing. Mr. Stewart said the break-even point is approximately \$20,000 per day in handle.

Commissioner Burnett said he would like to see the revenue and expense numbers and Mr. Stewart said he would provide them.

There being no further business before the Commission, the meeting adjourned.